



# Legislative Finance Committee

## 57<sup>th</sup> Montana Legislature

Room 110, State Capitol, ? P.O. Box 201711 ? Helena, MT 59620-1711 ? (406) 444-2986 ? FAX (406) 444-3036

### HOUSE MEMBERS

DAVE LEWIS, CHAIRMAN  
GARY FORRESTER  
JOEY JAYNE  
DAVE KASTEN  
WILLIAM PRICE  
JOE TROPILA

### SENATE MEMBERS

GREG JERGESON, VICE CHAIRMAN  
BOB KEENAN, SECRETARY  
ROYAL JOHNSON  
LINDA NELSON  
EMILY STONINGTON  
TOM ZOOK

## MINUTES

June 18, 2001  
Hearing Room 102, State Capitol  
Helena, Montana

### **ROLL CALL FOR JUNE 18, 2001**

Sen. Greg Jergeson  
Sen. Royal Johnson, Excused  
Sen. Bob Keenan  
Sen. Linda Nelson  
Sen. Emily Stonington, Excused  
Sen. Tom Zook  
Rep. Gary Forrester  
Rep. Joey Jayne  
Rep. Dave Kasten  
Rep. Dave Lewis  
Rep. William Price  
Rep. Joe Tropila  
Clayton Schenck, Legislative Fiscal Analyst  
Cindy Campbell, Committee Secretary

### **Call to Order** (Tape 1A-010)

The 178th meeting of the Legislative Finance Committee (LFC) was called to order at 9:05 a.m. by Senator Greg Jergeson, Chair, on Monday, June 18, 2001. The meeting was held in Hearing Room 102 of the State Capitol, Helena, Montana.

Members of the Revenue and Transportation Committee joined the LFC for the presentation of the 2003 Biennium Legislative Fiscal Report and the presentation on Highway 93 bonding initiative by the Department of Transportation. Those members in attendance were: Senators Jon Ellingson, Bob Depratu, William Glaser, Mike Taylor, Vicki Cocchiarella, and Representatives Robert Story, Jr. and Ronald Devlin.

## **2. 2003 Biennium Legislative Fiscal Report** (Tape 1A-028)

Clayton Schenck, Director of the Legislative Fiscal Division (LFD), presented the 2003 Biennium Legislative Fiscal Report, which reviews the fiscal actions taken by the Fifty-seventh Legislature. He highlighted the fiscal issues detailed in the Overview Volume and answered questions from the LFC members. Terry Johnson, Principal Fiscal Analyst with LFD, presented information from Volume 2 – Revenue Estimates, and then responded to questions on various issues. Taryn Purdy, Principal Fiscal Analyst with LFD, presented information on expenditures from the Fiscal Report and responded to questions.

## **3. Department of Transportation: Highway 93 Bonding Initiative** (Tape 1B-150)

Jim Currie, Deputy Director for the Department of Transportation (DOT), presented information on the Highway 93 Bonding Initiative. Members from DOT, with assistance from a federal highways consultant, spent a significant amount of time negotiating with the Salish Kootenai tribes in an attempt to reach an agreement on environmental issues because this corridor of Highway 93 runs entirely through the reservation. Mr. Currie presented a copy of the agreement, a very thick and complex document, which was signed in December of 2000. He told the members he would obtain further copies of it if they so desired, but presented only one copy today because of the voluminosity of it.

Mr. Currie distributed copies of a GANT chart (Exhibit 1), a project development schedule for US-93 from Evaro to Polson, Montana. There are two main issues being considered: 1) safety issues; and 2) level of service issues. Mr. Currie told the committee members this project covers a 56-mile corridor of Highway 93 and will cost \$125 million. He outlined the options for funding the project and stated if DOT has to go through regular funding channels it will take years to complete. DOT has received feedback from various citizens, groups, etc., that it is imperative this project be completed as soon as possible because of the safety issues and number of traffic deaths on this stretch of highway. Mr. Currie informed the LFC that Garvey Bonds would allow DOT to expend its future federal fund allocation and that the Governor has given them the authority for \$125 million in bonds. Following his presentation, Mr. Curry responded to questions from the LFC members.

**Representative John Brueggeman** addressed the committee, stressing the importance of completing the Highway 93 project as soon as possible because of the safety issues. He also expressed his opinion that the agreement between DOT and the Salish Kootenai tribes is an excellent proposal.

#### **4. Committee Business** (Tape 1B-645)

Following the presentation on the Highway 93 Bonding Initiative, the joint committees adjourned and the LFC reconvened with the roll call at 10:15 a.m.

#### **Election of Officers** (Tape 1B-650)

**Senator Jergeson** opened nominations for chair. **Representative Tropila** nominated **Representative Lewis**. **MOTION: Representative Tropila** moved nominations be closed and the ballots be cast. **VOTE:** Motion carried unanimously. **Representative Lewis**, as newly elected chairman, presided over the remainder of the committee meeting and opened nominations for vice chair. **Representative Tropila** nominated **Senator Jergeson** for vice chair. **MOTION: Senator Zook** moved nominations be closed and the ballots be cast. **VOTE:** Motion carried unanimously. **MOTION:** The chairman opened nominations for secretary and **Representative Tropila** nominated **Senator Keenan**, then moved that nominations be closed and the ballots be cast. **VOTE:** Motion carried unanimously.

#### **Approval of Minutes for November 16, 2000 and January 3, 2001** (Tape 2A-001)

**Senator Zook** moved the minutes of the November 16, 2000 and January 3, 2001 meetings be approved as presented. **VOTE:** The motion carried unanimously.

#### **Welcome of New Members/Review of Committee rules/Procedure** (Tape 2A-014)

Clayton Schenck welcomed new LFC members and then provided the members with copies of the committee rules and procedures (Exhibit 2). He outlined the types of issues which will be presented to the committee for consideration and/or action and stated these would be explained in more detail by Taryn Purdy. Mr. Schenck introduced the LFD staff.

**5. LFC Orientation: The Role/Authority of the Legislative Finance Committee** (Tape 2A-285)

Taryn Purdy presented an orientation to and overview of the LFC. (Exhibit 3) She gave an overview of interim committees in general and then specifically for the LFC. Ms. Purdy detailed the following: 1) LFC duties; 2) general investigation and oversight; 3) relationship of LFD to the LFC; 4) budget amendments; 5) program transfers/operating plan changes; 6) interim supplemental appropriations; and 7) spending reductions.

**6. Other Reports** (Tape 1B-450)

Taryn Purdy presented the Budget Amendments Summary Report (Exhibit 4), Operating Plan Changes and Program Transfers (Exhibit 5), and Section 7 of House Bill 2 (Exhibit 6). The Required Reports (Exhibit 7) were presented by Jon Moe, Fiscal Specialist for LFD. He offered an explanation of the required reports and provided some examples. Mr. Moe told the LFC members the required reports would be available in future LFC packets for review, but would not be formally presented at the meetings unless an issue was identified by LFD staff.

**7. Selected Legislation of Interest to the Legislative Finance Committee** (Tape 2B-415)

Greg DeWitt, Senior Fiscal Analyst for LFD, presented a report on selected legislation of interest to the LFC. (Exhibit 8) The report detailed the status of legislation requested by the LFC and legislation not requested by, but impacting the LFC. Following his presentation, Mr. DeWitt fielded questions from the committee members.

**8. Legislative Fiscal Division Proposed Interim Work Plan** (Tape 3A-050)

The LFD proposed interim work plan was presented to the committee by Clayton Schenck. (Exhibit 9) He explained the work plan and how it is used by LFD. **MOTION: Representative Jayne** moved the LFC approve the LFD proposed interim work plan as presented by Mr. Schenck. **VOTE:** Motion carried unanimously.

Following the vote, discussion ensued regarding #44 - State Associations' Tax/Revenue Study under LFC Optional Projects on page 3, but the LFC took no further action. The committee also discussed #15 – 2005 Biennium Budget Project – “Big Picture Report” (Oct 2002). Consensus

of LFC members indicated this is an important project and warrants further consideration. No further action was taken by the LFC, however, this item will be presented again at a future meeting for further discussion.

**9. HJR 1 – Continuing Study of Public Mental Health Issues: Work Plan** (Tape 3B-114)

Lois Steinbeck, Senior Fiscal Analyst for LFD, presented the work plan for HJR 1 – Continuing Study of Public Mental Health Issues. (Exhibit 10) The work plan included a proposed study approach which offered the LFC three options with respect to development and approval of a study plan. Ms. Steinbeck outlined the options and explained LFD staff recommendations.

The LFC discussed various issues of the HJR 1 subcommittee including the options presented by Lois Steinbeck, budgeting for the subcommittee, and membership. **Representative Lewis** appointed **Senator Keenan** as chair. **MOTION: Senator Jergeson** moved the LFC adopt option #3, which is listed on page 2 of Exhibit 10, as presented by Ms. Steinbeck. **VOTE:** Motion carried unanimously.

**Senator Keenan** will attend a meeting of the Oversight Advisory Council on June 19, 2001, and will provide an update to the LFC in October.

**10. Committee Business** (Tape 3B-640)

Clayton Schenck presented the items under committee business. (Exhibit 11)

**MOTION: Representative Kasten** moved Representatives Lewis and Tropila and Senators Jergeson and Zook be appointed to the Management Advisory Committee. **VOTE:** Motion carried unanimously.

**MOTION: Senator Jergeson** moved the chair of the HJR 1 Subcommittee be authorized to appoint the members of that subcommittee. **VOTE:** Motion carried unanimously.

The LFC discussed the other interim subcommittees and other issues of committee business and took the following action.

**MOTION: Senator Jergeson** moved the LFC adopt the future meeting dates as outlined in Exhibit 11. **VOTE:** Motion carried unanimously.

**MOTION: Representative Kasten** moved the LFC adopt the LFD operating plans for fiscal 2002 and 2003. **VOTE:** Motion carried unanimously.

**Next LFC Meeting**

The next meeting of the LFC will be held on October 5, 2001.

**Adjournment**

**MOTION: Representative Tropila** moved to adjourn. **VOTE:** Motion carried unanimously. Meeting adjourned at 4:25 p.m. Upon adjournment a reception was held for new members.

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Representative Dave Lewis, Chairman

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Cindy Campbell, Committee Secretary